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United States Department of the Interior

BUREAU OF LAND MANAGEMENT CEDAR CITY DISTRICT DIXIE RESOURCE AREA 345 E. Riverside Drive, Suite 102 St. George, Utah 84770

St. George, Otan 84770 Phone (801)673-4654 · Fax (801)673-5729

IN REPLY REFER TO: UT-045 UTU-68572

January 9, 1996

Robert Hemming 141 Union Blvd., Ste. 100 Lakewood, CO 80228

Dear Mr. Hemming:

Following our telephone conversation on Monday, January 8, I called Wayne Hedberg of Utah Division of Oil, Gas, and Mining to discuss the process for a partial release of the exploration bond. Mr. Hedberg and I agree that a partial release of the bond is possible. However, we feel a joint inspection documenting the rehabilitation is needed. To expedite the partial release, we have scheduled the field inspection for February 7 and 8. If the weather prevents the scheduled inspection, another will be scheduled as quickly as possible. Representatives of USMX are welcome to be present during this inspection.

If you have any questions, or need further information, please contact me at this office at extension 205.

Sincerely,

Larry Gore Geologist

cc: W. Hedberg - UDOGM